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8
9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SANTA ROSA DIVISION

12 In re:

13 KINGSBOROUGH ATLAS TREE
14 SURGERY, INC.

15 Debtor.

Case No. 25-10088 (WJL)

Chapter 11

16 **ANVIL BUILDERS' STATUS**
17 **CONFERENCE STATEMENT**

18 Date: August 5, 2025

Time: 9:30 am

Location: 1300 Clay Street, Courtroom 220
Oakland, CA

19 Anvil Builders, Inc. ("Anvil"), a creditor in the above-captioned case, respectfully submits
20 this Status Conference Statement.¹

21 **I. BACKGROUND AND PROCEDURAL POSTURE**

22 The Debtor previously filed a motion to approve the sale of estate equipment and sought
23 approval of its disclosure statement. Anvil filed objections to both, raising significant concerns
24 regarding the administration of the estate and the propriety of the proposed transactions. *See* Dkt.
25 No. 227 (JCC sale objection); Dkt. No. 225 (disclosure statement objection). Following Anvil's
26 objections, the Debtor took both off calendar. Dkt. No. 246, Dkt. No. 247.

27 _____
28 ¹ Anvil was not aware of a status conference in the main case and does not see that a status
conference in the main case on the Court's calendar. However, since the Debtor filed a status
conference statement, Anvil assumes a status conference will be held.

1 Since the objections, the Debtor's equity holders and current DIP management, Richard and
2 Cindy Kingsborough, have themselves, filed a separate Chapter 11 case. Bankr. N.D. Cal. Case No.
3 25-bk-10461. The Debtor has indicated that joint administration of the two cases may be sought due
4 to the overlap of personal guarantees. *See* Dkt. No. 248. This development further complicates the
5 estate's administration and heightens concerns regarding conflicts of interest, transparency, and the
6 proper stewardship of estate assets.

7 **II. BUYER'S PREMIUM ISSUE**

8 Anvil remains concerned about the Debtor's practice of permitting the payment of a 10%
9 "buyer's premium" or commission to Mr. Todd Eisenhauer, a longtime friend and former employee
10 of the Debtor's principals, in connection with the sale of estate assets.

11 Discovery revealed that Mr. Eisenhauer received 10% commission on certain sales, with the
12 Debtor's full knowledge and consent, but without disclosure to the Court or creditors and without
13 Court approval. The payment was not disclosed in the sale motion or supporting declarations, and
14 the Debtor's principal, Cindy Kingsborough, confirmed the Debtor knew of these commissions prior
15 to filing the sale motions. *See* Dkt. No. 227 at 3-4.

16 Such commissions constitute property of the estate under 11 U.S.C. § 541(a)(6) and should
17 not be paid without full disclosure and Court approval. *See* Dkt. No. 227 at 2-3 (legal discussion).
18 The practice of diverting estate proceeds in this manner is and was improper, reduced recoveries to
19 creditors, and raises serious questions about the Debtor's fulfillment of its fiduciary duties as a DIP.

20 **III. CONCERNS REGARDING PLAN CONFIRMABILITY**

21 The issues surrounding the buyer's premium are symptomatic of broader concerns regarding
22 the confirmability of any plan the Debtor may propose. As set forth in Anvil's disclosure statement
23 objection (Dkt. Nos. 225), the Debtor's plan and disclosure statement suffers from numerous fatal
24 deficiencies. Primary among them is that, at bottom, any plan here is a visionary scheme premised
25 on speculative litigation recoveries and the liquidation of remaining assets, with no meaningful
26 analysis of feasibility or administrative costs.² *See* Dkt. No. 225 at 16-17.

28 ² To borrow from Admiral James Stockdale's memorable quote from the 1992 Vice
Presidential debate: Who are we, and what are we doing here?

1 The recent filing of a separate Chapter 11 case by the Debtor's equity holders and current
2 management only exacerbates these concerns, as it raises additional questions regarding conflicts of
3 interest, concerns over management's ability to appropriately administer the estate, and the potential
4 for improper insider benefit at the expense of creditors.

5 **IV. INTERFERENCE WITH PG&E CONTRACT**

6 On or about the same day that the Debtor filed its status conference statement, Anvil learned
7 that the Debtor – through the Kingsboroughs – submitted a \$6.4 million dollar stop payment notice
8 to PG&E purportedly covering the time period June 2023 and June 2025. Anvil believes the stop
9 payment notice is without merit. Anvil will be investigating and responding as appropriate.

10 For purposes of the status conference, Anvil questions why this previously unscheduled
11 claim is being raised at this late stage in the Debtor's Chapter 11 case. Even if valid – which Anvil
12 disputes – raising it on the heels of the Kingsborough's own bankruptcy case, calls into question the
13 appropriateness of a DIP.

14 **V. CONCLUSION**

15 In light of the undisclosed buyer's premium paid – and the apparent misconduct relating to
16 PG&E – Anvil remains concerned about whether the Debtor should remain a DIP. Further, based on
17 the Debtor's conduct and proposed plan, Anvil questions whether the case should remain in chapter
18 11 at all.

19
20 Date: August 4, 2025

FOX ROTHSCHILD LLP

21 /s/ Jack Praetzellis
22 Jack Praetzellis
23 Attorneys for Anvil Builders, Inc.
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1 **PROOF OF SERVICE OF DOCUMENT**

2 I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business
3 address is 10250 Constellation Boulevard, Suite 900, Los Angeles, CA 90067.

4 A true and correct copy of the foregoing documents entitled: ANVIL BUILDERS' STATUS
5 CONFERENCE STATEMENT will be served or was served **(a)** on the judge in chambers in the form and
manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

6 **1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant
7 to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and
8 hyperlink to the document. On 8/04/25, I checked the CM/ECF docket for this bankruptcy case or adversary
proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF
transmission at the email addresses stated below:

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- Jamie P. Dreher jdreher@downeybrand.com
 - Michael C. Fallon fallonmc@fallonlaw.net, manders@fallonlaw.net
 - Michael C. Fallon mcfallon@fallonlaw.net, manders@fallonlaw.net
 - Alan W Forsley alan.forsley@flpllp.com
 - Gabriel P Herrera gherrera@kmtg.com, bxiong@kmtg.com
 - Paul Gregory Leahy Paul.Leahy@usdoj.gov
 - Matthew P. Minser mminser@sjlawcorp.com
 - Office of the U.S. Trustee / SR USTPRegion17.SF.ECF@usdoj.gov
 - Jack Praetzellis jpraetzellis@foxrothschild.com, jack-praetzellis-1683@ecf.pacerpro.com
 - Michael A. Sweet msweet@foxrothschild.com, michael-sweet-6337@ecf.pacerpro.com
 - Philip J. Terry pjterry@cmprlaw.com, dhayes@cmprlaw.com
 - Jennifer C. Wong bknotice@mccarthyholthus.com, jwong@ecf.courtdrive.com
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16 **2. SERVED BY UNITED STATES MAIL:** On N/A, I served the following persons and/or entities at
17 the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy
thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows.
18 *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24
hours after the document is filed.*

19

20 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION**
OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling
21 LBR, on N/A, I served the following persons and/or entities by personal delivery, overnight mail service, or
(for those who consented in writing to such service method), by facsimile transmission and/or email as
22 follows. *Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the
judge will be completed no later than 24 hours after the document is filed.*

23

24 I declare under penalty of perjury under the laws of the United States that the foregoing is true and
correct.

25

26 8/04/2025	Kimberly Hoang	/s/ Kimberly Hoang
Date	Printed Name	Signature

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